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TAGS: [ECON](#) [ETRD](#) [PGOV](#) [PREL](#) [WTO](#) [FR](#)
SUBJECT: French Rhetoric on WTO Doha Negotiations - Rebuttal
Requested

REF: DMullaney E-mail 07/10/08

Classified by Econ M/C Seth Winnick, reasons 1.4 (b), (d) and (e)

11. (U) This is an Action Request for State and USTR.
12. (C) Summary and Action Request: French Trade Minister Idrac will chair a special EU Council meeting July 18 and seek to "rebalance and set the line" for the European Commission prior to the WTO mini-Ministerial July 21. In addition to President Sarkozy's increasingly negative remarks on a possible WTO Doha agreement, GOF officials seek to portray the U.S. as being unable to conclude a trade agreement this year (due to the U.S. political calendar and the veto overrides of the Farm Bill by Congress.) Ambassador Stapleton will meet Minister Idrac July 16. Embassy Paris requests updated talking points - which we suggest should be passed to other EU posts prior to the July 18 Council meeting - regarding USG interest in and ability to conclude a Doha agreement. End Action Request and Summary.
13. (C) On July 8 visiting EUR/ERA Director and Emin reviewed French thinking on Doha with Benoit de la Chapelle Bizot, the new deputy director (for economic issues) in the cabinet of State Secretary for European Affairs Jouyet. Bizot reiterated that the outlines offered for a Doha deal offer too little on agriculture and industry and nothing on services and that the major emerging economies must do more. Further, France doubts that any deal concluded with the USG will stick since there is "no clear signal" from either presidential candidate or from Congress, especially in light of the Farm Bill.
14. (C) Jouyet's chief of staff told us recently that the GOF also believes that mistrust of Brussels and the WTO was part of the reason for the Irish rejection of Lisbon and for widespread popular concern about European integration across the EU. France believes that tighter control by Member States, in the first instance over the WTO negotiations, is key to reassuring Europeans. According to UK Embassy trade rep, France "was surprised and angry" with Lamy's decision to convene a WTO Ministerial meeting July 21 in Geneva but the UK opposes any French effort to change Commissioner Mandelson's negotiating mandate.
15. (C) In meetings July 10, USTR Brussels representative Dan Mullaney met with Etienne Oudot-de-Dainville, Prime Minister Fillon's trade advisor and Cedric Manuel, the MFA Desk Officer responsible for trade and economic relations with the U.S. Both said that the special GAERC on Friday, July 18 will probably not be dramatic, as it is "normal to have a Ministers meeting prior to a ministerial" and EU member states want to hear from Commissioner Mandelson (whose respect "is at a low ebb") on the eve of the mini-ministerial and will likely urge him to "rebalance" the agreement.
16. (C) Both were insistent that President Sarkozy (who indicated his

continued opposition in a speech to the European Parliament July 11) is only against a bad deal, not any deal, but conceded that the overall tone was deliberately negative. The "current" French position on the outlines of a WTO deal --characterized as overly ambitious on agriculture and empty on NAMA and services -- is a "no." But both officials stressed that France will work to ensure that the deal is "rebalanced."

¶17. (C) Our contacts emphasize that the Anti Concentration Clause (ACC) in the text on Non Agricultural Market Access (NAMA) is critical (as well as in the sectorals texts.) They concede that the Member States are divided on whether the agriculture modalities are a problem, but only a few (Sweden, Denmark, e.g.) are satisfied and not pushing for a more ambitious NAMA outcome. The bottom line for the French is unclear, but seems to be; more in NAMA (and services), and no more give on Agriculture, and a likely insistence on some Geographical Indicators language.

¶18. (C) According to the French, there are increasing signals including from the Germans and the head of the German business association, BDI, (who visited Prime Minister Fillon July 10) that European Union member states need more on NAMA, and that "no deal is better than a bad deal." The French regard this as a new (and positive) development.

¶19. (C) In our meetings with the French, we have heard consistent and evidently well-vetted talking points on how unlikely it is that the U.S. Congress will approve a Doha deal. The French do not believe the EU can risk going the extra kilometer to conclude what they believe would be a weak package deal only to see it reopened by either the next U.S. Administration or the next Congress. These same

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points are being made by the French to their EU colleagues. The Dutch Embassy in Paris told us July 11 that while the "Dutch want to see a deal initialed in July," the French are busy telling anyone who will listen that the U.S. Congress will oppose a Doha agreement.

¶10. (C) The USG may not be the only target of French strategy. Minister Idrac's senior trade advisor, who also represents France on trade issues in Brussels, told us recently that French trade policy has three strategic lines. First, ensuring fairness/level playing fields in areas including environmental standards/compliance with carbon emissions restrictions, and respecting intellectual property. Second, insisting on reciprocity. The third line is geographic and includes a desire to reengage on trade relations with the industrialized world particularly the U.S. and Japan. At the same time, France believes it is essential to engage the major emerging economies as a bloc, press them for a greater contribution in trade negotiations and split them from the broader G-77 developing world. (Environment Minister Borloo's chief of staff recently told EMin that splitting the BRIC's from the G-77 is also a central element of France's climate negotiating strategy.)

¶11. (C) Action Request: Ambassador Stapleton will meet with Trade Minister Idrac July 16, just before she chairs the EU Council Meeting July 18. Embassy requests updated points on the latest USG thinking and strategy on the Doha round negotiations. End action request.